

907 KAR 1:005. Nonduplication of payments.

RELATES TO: KRS 205.520

STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3), EO 2004-726

NECESSITY, FUNCTION, AND CONFORMITY: EO 2004-726, effective July 9, 2004, reorganized the Cabinet for Health Services and placed the Department for Medicaid Services and the Medicaid Program under the Cabinet for Health and Family Services. The Cabinet for Health and Family Services has responsibility to administer the program of Medical Assistance in accordance with Title XIX of the Social Security Act. KRS 205.520(3) empowers the cabinet, by administrative regulation, to comply with any requirement that may be imposed, or opportunity presented, by federal law for the provision of medical assistance to Kentucky's indigent citizenry. This administrative regulation sets forth the principles relating to nonduplication of payment and treatment of third-party liability for medical services, made available to both the categorically needy and the medically needy.

Section 1. Nonduplication of Payment. Nonduplication of payment as required by 42 CFR 447.15 is assured as follows:

(1) When a recipient makes payment for a covered service, and the payment is accepted by the provider as either partial payment or payment in full for that service, no responsibility for reimbursement shall attach to the cabinet and no bill for the same service shall be paid by the cabinet.

(2) When the cabinet makes payment for a covered service and the provider accepts the payment made by the cabinet in accordance with the cabinet's fee structure, the amounts paid shall be considered payment in full; and no bill for the same service shall be tendered to the recipient, or payment for the same service accepted from the recipient.

Section 2. Third-party Liability. The requirement contained in 42 CFR Part 433, Subpart D that any third-party liability be considered as a resource is met as follows:

(1) When payment for a covered service is due and payable from a third-party source such as Medicare, an insurance plan, or some other third-party with a legal obligation to pay, the amount payable by the cabinet shall be reduced by the amount of the third-party obligation.

(2) Notwithstanding the provisions of subsection (1) of this section, the cabinet shall, in accordance with the provisions of 42 CFR 431.625, make no payment on behalf of any person of an amount payable under Title XVIII, Part B, Supplementary Medical Insurance (SMI), whether or not the SMI eligible recipient has enrolled in and paid the premium for participation in the insurance plan. (2 Ky.R. 100; 9-10-1975; Recodified from 904 KAR 1:005, 5-2-1986; 17 Ky.R. 148; eff. 9-13-1990.)